

PORT OF NEWCASTLE FACT SHEET

JUNE 2026

IAM
INCOME ASSET
MANAGEMENT

Issuer Outline

Port of Newcastle (PON) develops and invests in infrastructure, manages port operations, and facilitates port traffic. Port of Newcastle focuses on enhancing port efficiency and supporting trade activities. Port of Newcastle serves investors and shipping companies across Australia.

| | |
|--------------------|----------------|
| Sector: | Industrial |
| Sub-Sector: | Transportation |
| Country: | AU |
| Ownership: | Private |

Issuer Credit Rating & Outlook

| Agency | Rating | Outlook |
|---------|--------|---------|
| S&P | BBB | Stable |
| Moody's | - | - |
| Fitch | BBB | Stable |

Key Financials (A\$m)

| For Year Ending December 31 | FY24 | FY25 | YoY Change |
|-----------------------------|--------|--------|------------|
| Coal Volumes (MTPA) | 150 | 149 | -1% |
| Non-Coal Volumes (MTPA) | 9 | 11 | +31% |
| Trade Revenue | 173.3 | 212.0 | +22.3% |
| Property Revenue | 45.9 | 53.4 | +16.4% |
| Other Revenue | 1.2 | 2.4 | +90.9% |
| Revenue | 220.4 | 267.8 | +21.5% |
| EBITDA | 140.5 | 177.5 | +12.9% |
| EBITDA Margin (%) | 63.7 | 66.3 | +4.0% |
| Funds from Operations (FFO) | 133.2 | 169.0 | +26.9% |
| Operating Cash Flow | 133.7 | 186.1 | +39.2% |
| Capex | (21.1) | (31.5) | +49.7% |
| Total Debt | 859.8 | 828.7 | -13.1% |
| Net Debt | 809.5 | 712.8 | -12.0% |
| FFO/Net Debt (%) | 16.5 | 23.7 | +7.2% |
| Net Debt/EBITDA (x) | 5.8x | 4.0x | +1.8x |

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Summary Bond Details

| ISIN | Currency | Series | Ranking | Coupon | First Call Date | Legal Maturity Date | Issue Rating (S&P/Moody's/Fitch) |
|--------------|----------|--------|---------------|--------|-----------------|---------------------|----------------------------------|
| USQ7700PAA23 | USD | REGS | Sr Secured | 5.90% | 24/08/2031 | 24/11/2031 | BBB / - / BBB |
| US734865AA63 | USD | 144A | Sr Secured | 5.90% | 24/08/2031 | 24/11/2031 | BBB / - / BBB |
| AU3CB0323780 | AUD | MTN | Sr Secured | 6.10% | 18/04/2031 | 18/07/2033 | BBB / - / - |

IAM Credit View - HOLD

FY25 coal volumes were largely stable at 149.03Mt (FY24: 149.95Mt). Weather-related access restrictions in May-June affected expected revenues, with recovery to occur through the annual true-up mechanisms. FY25 diversified trade grew 31% for the year finishing at 11.18Mt (FY24: 8.5Mt). The uplift was driven by strong wheat exports.

During FY25, S&P and Fitch upgraded PON's corporate credit rating to BBB/Stable from BBB-/Positive. On 1 January 2026, PON increased the waterside component of its wharfage charge from \$0.4053/RT from \$0.5075/RT as a third and final step towards the hypothetical Maximum Allowable Revenue (MAR) for its Channel Service. Of this increase, ~\$0.0475/RT is attributable to the true-up mechanism, which recovers revenue lost during prior financial years. PON has successfully refinanced its 2026 and 2027 maturities at significantly lower margins on prior retired debt. PON now has a \$300m AMTN 8-year bond and \$245m in term/revolving facilities a three and five-year maturities. The weighted average maturity (WAM) is now six years.

IAM views the credit profile as a hold. Coal volumes were broadly stable, with a material uptick in non-coal volumes. The adjustments to the channel service charges (regulatory-style pricing model) have significantly improved performance whilst alleviating volume risk. Debt metrics have improved but there is a hefty capex plan which will use a lot of remaining free cash flow and place a cap on ratings at BBB.

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Issuer Commentary

As the sole export gateway for Hunter Valley coal, PON maintains a formidable and entrenched market position with strong protective barriers. The stable revenue framework and updated wharfage and tariff charges allow the port to reliably recover capital costs and offset interest rate risk. It operates under a long-term concession which provides revenue visibility through a long-term lease extending out to the year 2110. PON has been deleveraging and improving debt metrics as seen by FY25 results.

The risk is around commodity concentration to thermal coal, leaving operations sensitive to global energy transitions and weather-related mine disruptions. Heavy reliance on coal assets negatively impacts its Environmental, Social, and Governance (ESG) scoring, complicating long-term refinancing options. However, ESG risks are mitigated by the fact PON is investing in a broader \$150+m capital expenditure strategy to diversify revenue (e.g., container terminals, bulk liquids, and hydrogen) away from thermal coal.

Positives of Port of Newcastle

- Location and connectivity to key infrastructure and close proximity to major coal basins
- Landlord port model and long-term leases across a diversified range of tenants supports a stable cashflow profile
- Economic powerhouse for NSW and Australia
- Deepwater channel on the East Coast of Australia
- Regulatory pricing benefits the wharfage tariff regime and annual true up mechanism protects the business against severe cargo volume risk

Negative Risk Factors of Port of Newcastle

- A substantial portion of revenue is derived from facilitating the export of coal and a deterioration in the market conditions for the export of coal may adversely impact the business
- Negative perceptions on operations or operations of customers including coal industry with respect to ESG impacts
- Trade based revenue could decline as a result of cargo volumes
- Regulatory environment may change resulting in greater regulatory price controls

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